

PHILIP MORRIS INCORPORATED  
INTER-OFFICE CORRESPONDENCE

100 Park Avenue, New York, N.Y. 10017

To: • Mr. Joseph F. Cullman 3rd  
From: • T. F. Ahrensfield  
Subject: • FTC Meeting, Monday, September 20, 1971

Date: September 21, 1971

I still have not received a report from The Tobacco Institute, but Abe Krash has talked to Jack Mills and passed on the following information.

Horace Kornegay, Jack Mills and Tommy Austern met with Pitofsky and his associates late yesterday afternoon to receive their comments on the industry proposal, as approved by the chief executives, and submitted to them last Monday. Pitofsky's comments were as follows:

1. The FTC will not insist upon the octagon shape; they will accept a rectangle.
2. The FTC feels that positioning of the caution notice in the ads is not of major importance.
3. The FTC will not insist that 10% to 12% of the ad be devoted to the caution notice. On the other hand, they did not agree that less than 5% or 6% of the ad must be used for such purpose.
4. The FTC will not insist upon a black on white caution notice in multicolor ads; they are willing to reconsider their position, provided the choice of color is decided by the Commission and not the companies.
5. The FTC feels that Univers 47 type is a poor choice insofar as the necessary prominence is concerned. In view of the fact that this type size was selected by the Congress for the package labeling, they are not inclined to oppose it for the caution notice.

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6. The FTC would require the caution notice to appear prominently and not be isolated in the overall context of the ad.

The Tobacco Institute representatives advised the Commission that their suggestions would be unacceptable to the industry. I imagine that this position was predicated solely upon the fact that The Tobacco Institute representatives had been advised that the position they presented to the Commission last week was a final industry position, and not subject to negotiation. As you know, there is absolutely no doubt that this position is firm insofar as American Brands is concerned.

If Krash's report is accurate and complete, it is not possible to make a recommendation in this matter. If 5% to 6% of the ad is devoted to the caution notice, but the notice appears therein only in the 10 point or 12 point size that the industry recommended, the ads would not be too obnoxious. If, on the other hand, the type size selected was such as to substantially fill in the 5% to 6% of the ad devoted to the caution notice, the ads would be totally obnoxious insofar as Philip Morris is concerned.

I understand that The Tobacco Institute is preparing a written report of the meeting, and I have arranged for copies to be promptly forwarded to us in Switzerland.

TFA/add

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